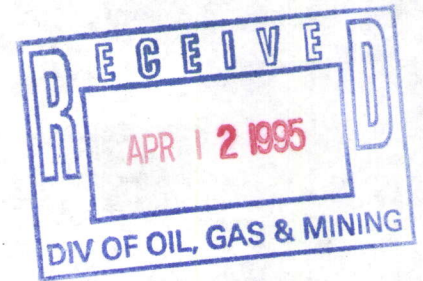


SPRUNGER'S MINERALS
P.O. BOX 38054
LEAMINGTON, UT 84638
(801) 857-2572



April 4, 1995

Utah School and Institutional
Trust Lands Administration
355 West North Temple
3 Triad Center, Suite 400
Salt Lake City, UT 84180-1204

Gentlemen:

Enclosed is our Plan of Operations for ML46956 plus copies of letters being sent to the Utah Division of Oil, Gas and Mining and to the other lessees having an interest in the same land.

If bonding for reclamation is required, please define what will be expected for reclamation. Also, since the area to be worked has many pre-existing workings, the lessees request that the lessor document the old workings and danger areas. Finally, we ask that the lessor consider that the date the lease is initiated should be the same as the date we can work the lease. Otherwise, a delay (60 days, for example) represents a proportionate loss of the bid money.

Sincerely,

Mike Sprunger

Sandra Sprunger

Mike Sprunger
Sandra Sprunger
(Lessees)

PLAN OF OPERATIONS FOR MINING ML46956 ON UTAH STATE LANDS

1. Lessee Information:

- a) Lease Number: ML46956
- b) Name of Lessee: Michael Sprunger / Sandra Sprunger
- c) Name of Operator: (Same as lessee)
- d) Others with surface or mineral interest:

Merril & Blair Beckstrom
RFD#2, Box 308
Spanish Fork, UT 84660
(Lease #GP22207)

2. Maps:

- a) 7½' USGS Topo map is attached showing ML46956 in NW corner of Sec. 16, T13S, R11W, SLBM.
- b) Detailed site map is attached showing pre-existing access road and old workings and proposed new workings.

3. Statement of Methods:

- a) Mining will be done with small gas-powered drill (Cobra). Shallow, small diameter bore holes, 2' to 4' deep, will be lightly loaded with AN/FO to move rock. There may also be limited use of tire-mounted backhoe to clear accessible, pre-existing rubble on low slopes.

Most work will be done in and along the margins of areas that were previously worked. There is no topsoil to stockpile. Estimated amount of rock that will be moved per year is 25 to 50 cubic yards (50 to 100 tons). Surface acreage of mining (including in old workings) will be under 1 acre.

- b) There is no surface water at this location and water will not be used in mining.
- c) Mining will be ongoing but sporadic (no set time schedule). We would like to be able to begin operations ASAP. No time of completion of operations is foreseen.

4. Plan of Reclamation: The area to be worked by lessees is already heavily disturbed by old workings, is devoid of topsoil and vegetation, and is the center and most accessible part of Topaz Mountain Rockhound Area. Restoration of this "bombed out" area is not feasible and is not the responsibility of the lessees.

The area to be worked has been used by rockhounds and mineral

PLAN OF OPERATIONS FOR MINING ML46956 (Cont.)

collectors for many decades. Restoring the area would entail limiting future rockhound use, and this would be possible only with constant surveillance. The cost of this would not be justified considering the benefits of Topaz Mountain to Utah tourism and the small value of topaz removed by rockhounds with hand tools.

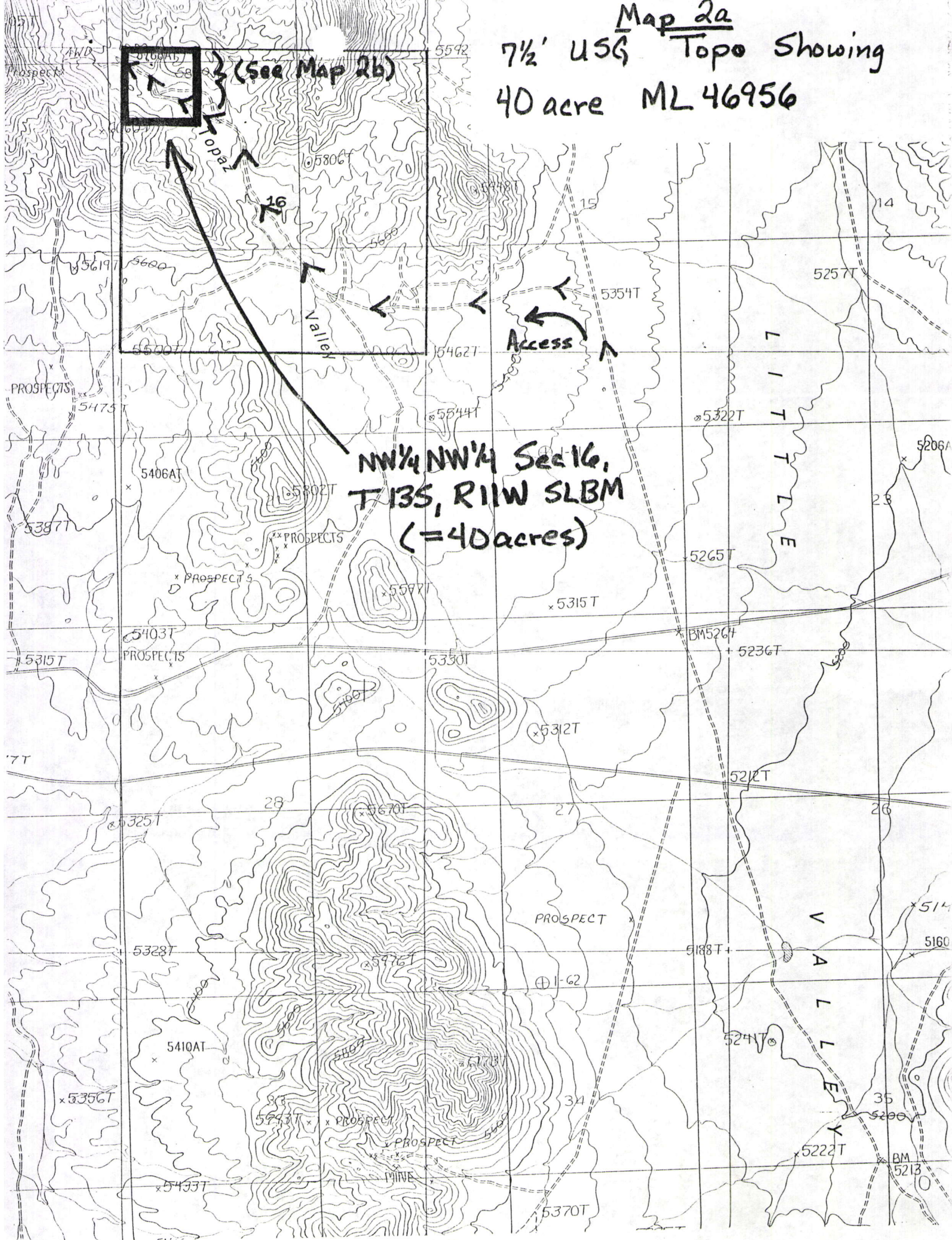
For all of the above reasons, the lessees feel that bonding for reclamation should be minimal and old workings should be well documented by lessor.

5. A copy of a letter to the Utah Division of Oil, Gas and Mining is enclosed as evidence that the lessees have notified that Division.

7½' USG Map 2a Topo Showing
40 acre ML 46956

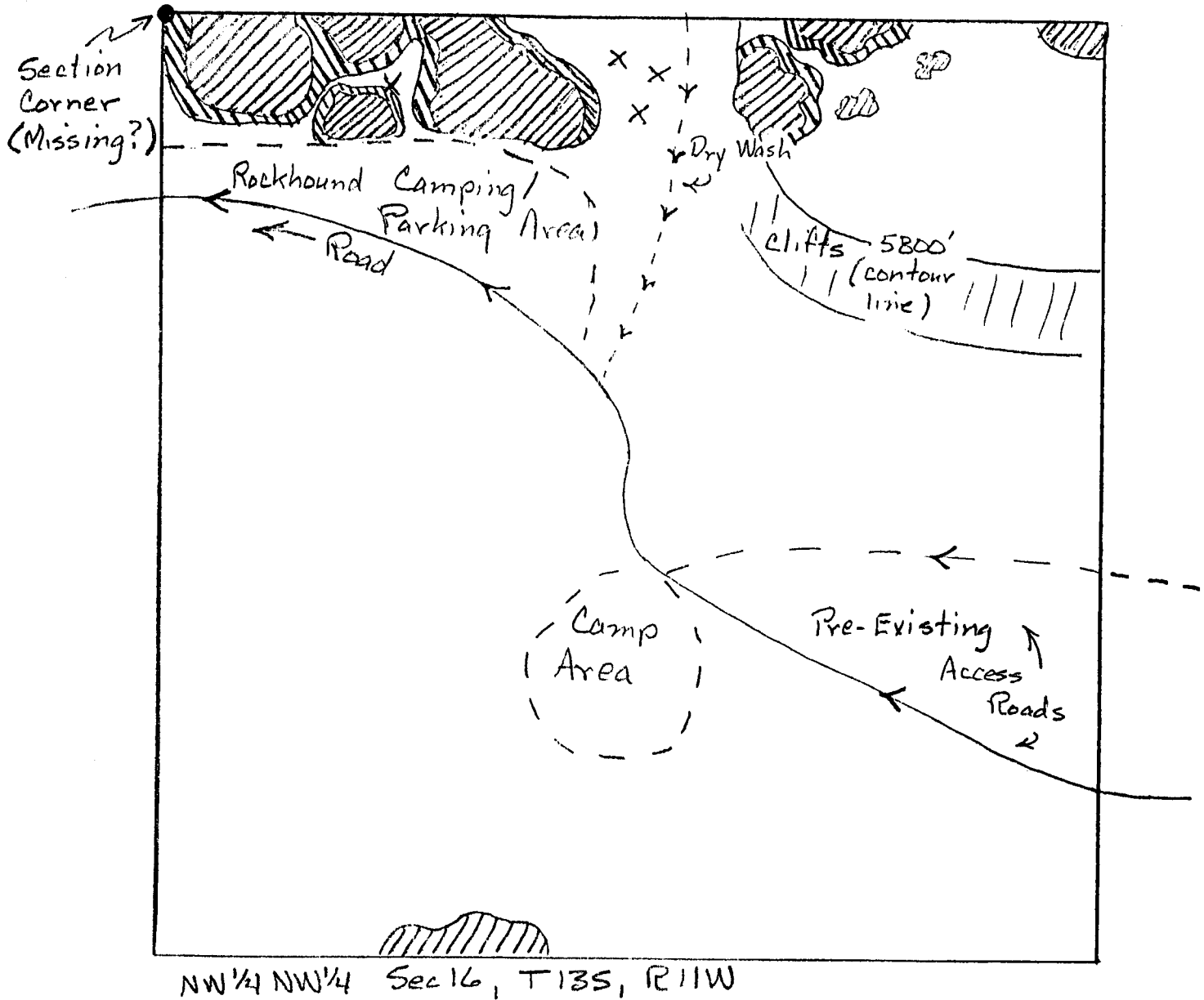
7½' USG Topo Showing
40 acre ML 46956

40 acre ML 46956




Map 2b


Detailed Site Plan Showing Old Workings and
New Workings on ML 46956 (40 acres = NW $\frac{1}{4}$ NW $\frac{1}{4}$
Sec 16, T13S, R11W, SLBM)



x = small test prospects that we may make

 = old workings

1" = 220'

 = new workings (along
margins of old workings)
that we may do